VERNON M. JOHN
CERTIFIED PUBLIC ACCOUNTANT

POINT
Financial Statement
November 30, 1972
(Unaudited)

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Exhibit 1

POINT
Balance Sheet
November 30, 1972
(Unaudited)

## Assets

| | | |
|---|---|---|
| Current assets: | | |
| Cash - Bank of California | | $ 22,155.53 |
| - Northern California Savings & Loan | | 201,038.11 |
| | | 223,193.64 |
| Accounts receivable - Random House | | 49,912.10 |
| Loans receivable | | 16,446.00 |
| Total current assets | | 289,551.74 |
| Property and equipment | | 1,882.50 |
| Other assets: | | |
| Investments in securities at cost (Schedule 3) | | 600,797.91 |
| Total Assets | | $ 892,232.15 |

## Liabilities and Capital

| | | |
|---|---|---|
| Current liabilities: | | |
| Payroll taxes payable | | $ 600.10 |
| Commissions payable | | 31,049.59 |
| Total liabilities | | 31,649.69 |
| Surplus: | | |
| Surplus, April 30, 1972 | $ 771,162.40 | |
| Increase to surplus, Exhibit 2 | 89,420.06 | 860,852.46 |
| Total Liabilities and Surplus | | $ 892,232.15 |

This Balance Sheet as at November 30, 1972 and the accompanying Statement of Income and Expenditures were not audited by me and, accordingly, I cannot express an opinion of them.

PREPARED WITHOUT AUDIT

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Exhibit 2

POINT
Statement of Income and Expenditures
May 1, 1972 to November 30, 1972
(Unaudited)

| | | |
|---|---|---|
| Income: | | |
| Sale of catalogs and books | | $ 345,937.44 |
| Interest | | 5,401.45 |
| Dividends | | 7,493.86 |
| Contributions | | 3,000.00 |
| Other | | 74.37 |
| | | 361,907.12 |
| Direct expenditures and grants: | | |
| Sales commissions on catalogs | $ 60,335.50 | |
| Grants | 172,945.36 | 233,280.86 |
| Balance | | 128,626.26 |
| Administrative expenses: | | |
| Salaries | 28,927.00 | |
| Rent | 635.00 | |
| Office supplies | 1,043.73 | |
| Telephone | 844.87 | |
| Legal and accounting | 935.08 | |
| Taxes and licenses | 373.98 | |
| Travel and automobile expenses | 2,460.16 | |
| In-house projects | 152.96 | |
| Miscellaneous | 41.90 | 35,414.68 |
| Increase to surplus from operations | | 93,211.58 |
| Less non-recurring expenses: | | |
| Loss on disposal of capital assets | | 3,791.52 |
| Net increase to surplus | | $ 89,420.06 |

The Balance Sheet as at November 30, 1972 and this Statement of Income and Expenditures were not audited by me and, accordingly, I cannot express an opinion of them.

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Exhibit 3

POINT
Schedule of Investments at Cost
November 30, 1972
(Unaudited)

| | No. of Shares | Cost |
|---|---|---|
| Stocks: | | |
| Bankamerica Corp. | 400 | $ 27,448.24 |
| Hyster Co. | 500 | 21,831.39 |
| Standard Oil Co.-New Jersey | 400 | 28,999.80 |
| Transamerica Corp. | 2000 | 36,622.67 |
| American Telephone & Telegraph | 400 | 16,723.76 |
| The Southern Company | 1500 | 29,717.78 |
| Stauffer Chemical Co. | 300 | 12,735.00 |
| South Jersey Industries | 1300 | 29,757.99 |
| Santa Fe Industries | 1000 | 31,504.65 |
| R. H. Macy & Co. | 30000 | 38,063.05 |
| Libby Owens Ford | 1000 | 48,319.40 |
| American Home Products | 200 | 18,035.92 |
| American Products Co. | 300 | 15,785.13 |
| Schering Plough Co. | 300 | 26,370.72 |
| Textron, Inc. | 600 | 18,806.32 |
| IBM | 100 | 32,348.76 |
| Zome Works Corp. | 30000 | 30,000.00 |
| Kennecott Copper Corp. | 1 | 29.03 |
| American Metal Climax | 1 | 33.79 |
| First National City Corp. | 500 | 38,512.25 |
| Xerox Corporation | 100 | 16,215.00 |
| American General Insurance | 2100 | 39,908.76 |
| Allegheny Power Systems, Inc. | 1000 | 23,028.50 |
| Sub-Total | | 580,797.91 |
| Bonds: | | |
| Connecticut Light & Power, 7-3/8's 2001 | | 20,000.00 |
| Total | | $ 600,797.91 |

This statement has not been audited by me and, accordingly, I cannot express an opinion of it.

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Exhibit 4

POINT
Statement of Changes in Financial Position
May 1, 1972 to November 30, 1972
(Unaudited)

Sources of funds:

| | |
|---|---|
| Net increase to Surplus, Exhibit 2 | $ 93,211.58 |
| Disposal of capital assets | 13,048.48 |
| Decrease in working capital | 109,240.68 |
| Total funds provided | $ 215,500.74 |

Application of funds:

| | |
|---|---|
| Investments in securities | $ 214,818.24 |
| Equipment purchases | 682.50 |
| Total funds applied | $ 215,500.74 |

This statement has not been audited by me and, accordingly, I cannot express an opinion of it.